Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To: CC:PSI:B02 PLR-118966-12 Date: September 6, 2012

<u>X</u>:

Date 1:

Date 2:

State:

Dear :

This letter responds to your letter dated May 1, 2012, and subsequent correspondence, requesting relief under § 1362(b)(5) of the Internal Revenue Code.

The information submitted states that \underline{X} was formed as a limited liability company on $\underline{Date\ 1}$ under the laws of \underline{State} . The owner of \underline{X} filed Form 8832, Entity Classification Election, to treat \underline{X} as an association taxable as a corporation effective $\underline{Date\ 2}$. \underline{X} intended to further elect to be treated as an S corporation for federal tax purposes effective $\underline{Date\ 2}$. However, \underline{X} did not timely file Form 2553, Election by a Small Business Corporation.

Section 1361(a)(1) provides that the term "S corporation" means, with respect to any taxable year, a "small business corporation" for which an election under § 1362(a) is in effect for such year.

Section 1362(a) provides that a small business corporation may elect to be an S Corporation.

Section 1362(b) provides the rule on when an S election will be effective. Section 1362(b)(2) provides in relevant part that if an S election is made within the first two and one-half months of a corporation's taxable year, then the corporation will be treated as an S Corporation for the year in which the election is made. Under § 1362(b)(3), however, if an S election is made after the first two and one-half months of a corporation's taxable year, then that corporation will not be treated as an S corporation until the taxable year after the year in which the S election is filed.

Section 1362(b)(5) provides that if: (1) no § 1362(a) election is made for any taxable year, and (2) the Secretary determines that there was reasonable cause for the failure to timely make such election, then the Secretary may treat such an election as timely made for such taxable year and § 1362(b)(3) shall not apply.

Based solely on the facts submitted and the representations made, and provided that \underline{X} otherwise qualifies as an S corporation, we conclude that \underline{X} will be treated as an S corporation effective $\underline{Date\ 2}$. Within 120 days from the date of this letter, \underline{X} should submit a properly completed Form 2553 effective $\underline{Date\ 2}$, with a copy of this letter attached, to the appropriate service center.

Except as specifically set forth above, no opinion is expressed or implied concerning the federal tax consequences of the above-described facts under any other provision of the Code. In particular, no opinion is expressed or implied concerning whether \underline{X} is otherwise eligible to be an S corporation for federal tax purposes.

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of provides that it may not be used or cited as precedent.

Pursuant to a power of attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

Melissa C. Liquerman
Chief, Branch 2
Office of the Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures (2)
Copy of this letter
Copy for § 6110 purposes